

HIGHLIGHTS
WEEK ENDING: NOVEMBER 6, 1992

INDUSTRY WEEKLY VOLUME

- Industry volume this week was 9.3 billion units, or -11.5% below the seasonally adjusted weekly average and +10.6% higher than projected, as some customers may be purchasing in speculation of a price increase announcement. Volume was -5.4% less than the same week last year which benefited from price increase incentives offered by B&W, American and Liggett, and to a lesser extent by PM.

PM WEEKLY VOLUME & SHARE

- PM's volume for the week of 3.2 billion units was -23.2% less than seasonally adjusted norm, but +17.2% greater than projection as some of the major accounts returned to near normal purchase levels. Volume was -20.8% below last year, which represented the first week of a two week trade program offering an additional 150% of an average week at old prices after purchasing an initial 150%.
- This week, approximately 1.0 billion units of excess inventory were depleted from third quarter trade offers, with approximately 4.7 billion excess units remaining.
- Among the 100 largest direct accounts, 64 purchased at or above their normal rates, 18 more than the previous week. Four of the ten largest, CoreMark, Fleming, DECA-East and K-Mart purchased near their weekly norms.
- PM's share for the week of 34.1 was -6.6 points less than the same week in 1991, which reflected accounts delaying purchasing of product offered during the first week of a two week price increase program. Year to date through this week, PM's share was 41.7, or -0.9 points lower than the prior year.
- PM's share of the discount category for the week was 25.1, in line with current shipment data for the third quarter.

PHILIP MORRIS DEVELOPMENTS

- Based on IRI Rapid Fact scanning supermarket data for week ending October 18:
 - Marlboro half carton share was fairly stable at 0.08 for the last three weeks with 7 percent of stores selling at least one packing. SPACE data indicates a distribution of 15.6% in chain supermarkets for the latest three weeks ending October 25.
 - B&H Special Kings share increased slightly over the last four weeks to 0.04, while the percent of stores selling any packing almost doubled from 8% to 14% over the same time frame.
- A Bucks national promotion of a free wallet when mailing in 5 pack UPC's was offered in Sunday, November 1 FSI's (circ. 50 million).

COMPETITIVE DEVELOPMENTS

- Within the IRI Scanning Supermarket universe, B&W has started to increase its coupon spending during October, as evidenced by increases in the incidence of IRC's for Kool (+4 points to 9%), Viceroy (+17 points to 40%) and Richland 20's (up +7 points to 13%) over the latest four weeks ending October 18, after falling in September to its lowest levels since at least 1989.

PRICING

- According to IRI Rapid Fact Scanning Supermarket data for the week ending 10/18, the average price for Black & White/PL fell below \$9.00 per carton (for the first time since 1990) to \$8.96, making it approximately 50% less than Marlboro (up from 40% in July). At the same time, Raleigh Extra's carton prices declined -\$0.29 to \$10.36. This may be the last week Deep Discount prices will reflect a decline due to manufacturer price increases on these products effective October 13 and 14.

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